

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4746-01  
Bill No.: SB 875  
Subject: Employees - Employers  
Type: Original  
Date: February 11, 2010

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Bill Summary:           Modifies the minimum wage for employers under 20 years of age.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Missouri Department of Conservation, Department of Labor and Industrial Relations** and the **Missouri Department of Transportation** assume that there is no fiscal impact from this proposal.

Officials at the **Office of Administration (OA/DOP)** assume OA/DOP would not be impacted directly. All the positions currently utilized have wage rates which exceed the minimum wage. However, if passed, it would be necessary to communicate the information to all agencies. While all UCP positions are paid at rates that exceed the minimum wage, several agencies hire summer interns, students and unclassified workers who may qualify for the proposed sub-minimum wage rate.

It would be difficult, with any accuracy, to identify how many employees under the age of 20 that the agencies would hire. Similarly, we don't know how many employers would utilize the proposed sub-minimum wage rates. Therefore, a fiscal impact is not being provided.

Officials at the **Office of Administration** assume the proposed legislation is similar to the youth minimum wage rate established by the Fair Labor Standards Act.

**Oversight** assumes no impact due to this proposal as the current wage rates exceed minimum wage.

**Oversight** assumes the program expires on August 28, 2013.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

There may be a fiscal impact to small businesses as a result of this proposal.

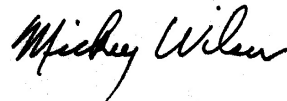
FISCAL DESCRIPTION

Employers may pay employees under the age of 20, 75% of the state minimum wage rate as long as that wage is not lower than the federal minimum wage. Employers shall not displace employees in order to hire such individuals. The act shall sunset on August 28, 2013.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Department of Conservation  
Department of Labor and Industrial Relations  
Missouri Department of Transportation  
Office of Administration



Mickey Wilson, CPA  
Director  
February 11, 2010